

UNC Draft Modification Report	At what stage is this document in the process?
<h1>UNC 0826S:</h1> <h2>Amendment to Network Entry Provision at Shell St Fergus Terminal</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>This Modification will enable the current Wobbe Index upper limit that applies between National Grid and Shell at St Fergus to be temporarily increased from 51.2 MJ/m<sup>3</sup> to 51.4 MJ/m<sup>3</sup>.</p>	
<p><b>Next Steps:</b></p> <p>This Draft Modification Report is issued for consultation responses at the request of the Panel. All parties are invited to consider whether they wish to submit views regarding this Self-Governance Modification.</p> <p>The close-out date for responses is <b>08 December 2022</b>, which should be sent to <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>. A response template, which you may wish to use, is at <a href="https://www.gasgovernance.co.uk/0826">https://www.gasgovernance.co.uk/0826</a>.</p> <p>The Panel will consider the responses and agree whether or not this Self-Governance Modification should be made.</p>	
<p><b>Impacted Parties:</b></p> <p>High:</p> <p>Low: GB gas transporters, interconnector operators, shippers, consumers</p> <p>None:</p>	
<p><b>Impacted Codes:</b></p> <p>None</p>	

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Timetable		
<b>Modification timetable:</b>		
Date Modification Raised	12 October 2022	
New Modification to be considered by Panel	20 October 2022	
Initial consideration by Workgroup	03 November 2022	
Workgroup Report considered by Panel	17 November 2022	
Draft Modification Report issued for consultation	17 November 2022	
Consultation Close-out for representations	08 December 2022	
Final Modification Report available for Panel ( <i>at short notice</i> )	13 December 2022	
Modification Panel decision	15 December 2022	
		 Any questions?
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## 1 Summary

### What

This is an enabling Modification to facilitate a temporary amendment to the Wobbe Index (WI) upper limit within the Network Entry Provisions between Shell and National Grid at St Fergus. It is proposed to increase the limit from 51.2 MJ/m<sup>3</sup> to 51.4 MJ/m<sup>3</sup>. The amendment is requested for a 12 month period to enable St Fergus to prove continued operation within this limit and should this be successful a subsequent permanent change may be requested within this 12 month window. This requested time period would allow for a permanent change request to be approved within this time so that Shell St Fergus operations would not have to revert back to the 51.2 MJ/m<sup>3</sup> spec while waiting on the permanent change to be approved.

### Why

Shell St Fergus currently operates under a legacy entry agreement which has an upper Wobbe Index limit of 51.2 MJ/m<sup>3</sup>. Due to the current energy climate, Shell St Fergus would like increased flexibility on the Wobbe Index limit to enable increased energy deliveries to National Grid thereby helping with security of supply concerns currently being faced. The requested increase is the same as the standard network agreement limit and within the existing GS(M)R range therefore is not believed to be a significant change and impact on others within the system.

Should the change not be made then Shell St Fergus will continue to operate within its current Wobbe Index limit which in turn will limit the ability to optimise energy delivered to National Grid.

### How

The Proposer is seeking to amend the Network Entry Provision described above via this enabling Modification. The proposed limit of 51.4 MJ/m<sup>3</sup> is consistent with other network entry agreements and in line with the GS(M)R legislation  $\leq 51.41$  MJ/m<sup>3</sup>, therefore gas accepted into the National Grid terminal would still be within this limit.

## 2 Governance

### Justification for Self-Governance

The effect of this amended Modification on competition is not deemed material due to other network entry parties already operating to the requested increased Wobbe Index limit.

No other pipeline incomers entering the NTS at St Fergus have gas sources above the existing GS(M)R Wobbe Index upper limit, therefore this amendment will not unduly discriminate.

No further development is required so the proposer is seeking implementation as soon as possible after this UNC proposal has been accepted in order to increase energy deliveries without delay.

The modification:

(i) is unlikely to have a material effect on:

- (aa) existing or future gas consumers; and
- (bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and
- (cc) the operation of one or more pipe-line system(s); and

(dd) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(ee) the uniform network code governance procedures or the network code modification procedures; and

(ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

## 3 Why Change?

The Shell St Fergus terminal provides approximately 12% of the UK's gas supplies and exports gas to National Grid within a Wobbe Index upper limit of 51.2MJ/m<sup>3</sup> where it comingles with other entrants to National Grid who already operate within the requested Wobbe Index limit of 51.4 MJ/m<sup>3</sup>. The Proposer requests this increase on a 12 month temporary basis with a view to a subsequent permanent change request should expected operational results be proven. Given the current climate and security of supply concerns, the Proposer is keen to play its part in society and help optimise deliveries to National Grid. This could aid diversity of supply thereby benefitting security of supply. Should the change not be made then Shell St Fergus will continue to optimise deliveries within its current spec but would result in the additional gains not being realised.

## 4 Code Specific Matters

### Reference Documents

Link to: [Gas Safety \(Management\) Regulations 1996 \(legislation.gov.uk\)](https://legislation.gov.uk)

### Knowledge/Skills

No additional knowledge/skills, above those available, required to assess this Modification.

## 5 Solution

This Modification seeks to amend the Network Entry Provision between Shell and National Grid at St Fergus for a specified time period of 12 months starting as soon as possible after this UNC proposal has been accepted. It is proposed to increase the Wobbe Index upper limit from 51.2 MJ/m<sup>3</sup> to 51.4 MJ/m<sup>3</sup> for this period subject to the conditions set out below.

With this Modification, export from Shell St Fergus to National Grid will still have a Wobbe Index no higher than other entrants who already operate within 51.4 MJ/m<sup>3</sup>. Should Shell St Fergus exceed 51.4 MJ/m<sup>3</sup>, then this will be reduced back below 51.4 MJ/m<sup>3</sup> in accordance with the Transportation Flow Advice process.

## 6 Impacts & Other Considerations

### Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None.

Workgroup Participants did not disagree.

### Consumer Impacts

A benefit to consumers through security of supply could result by enabling increased energy deliveries to National Grid thereby aiding diversity of supply. These increased deliveries could assist consumers through downward pressure on gas prices.

### What is the current consumer experience and what would the new consumer experience be?

This Modification seeks to help increase energy delivered to National Grid. The knock-on effect to consumers could be to mitigate against price rises due to increased diversity of supply.

Workgroup Participants did not disagree that there may be positive benefits as stated.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability None	None
Lower bills than would otherwise be the case This change is unlikely to reduce bills however it could help mitigate against further price rises by optimising gas deliveries to National Grid.	Positive
Reduced environmental damage None	None
Improved quality of service None	None
Benefits for society as a whole This Modification can help with security of supply by optimising current energy supplies to National Grid.	Positive

### Cross-Code Impacts

No impact identified.

## EU Code Impacts

No impact identified.

## Central Systems Impacts

No impact identified.

Workgroup Participants did not disagree.

## 7 Relevant Objectives

### Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The implementation of this proposal would better facilitate the following Relevant Objectives:

a) The efficient and economic operation of the pipeline system is positively impacted by this Modification because it would facilitate increased energy to be processed through the existing network infrastructure than would otherwise be the case.

d) Securing of effective competition between relevant shippers would be better facilitated as all would be operating in line with the GS(M)R legislation  $\leq 51.41$  MJ/m<sup>3</sup> thereby creating a level playing field.

## Workgroup Assessment

All Workgroup Participants agreed with the statements made in relation to the Relevant Objectives.

## Issues and Questions from Panel

1. Workgroup to consider the impact on downstream users and evidence of consumer impact.
2. National Grid to provide evidence or a statement on why National Grid would not need to model the effect of change e.g. because it is too small to model.

National Grid NTS provided analysis as follows setting out a response to the Panel questions;

This proposal seeks to increase the Wobbe Index limit at the St Fergus Shell terminal from 51.2 MJ/m<sup>3</sup> to 51.4 MJ/m<sup>3</sup> on a temporary basis

National Grid NTS understands that this change would:

- Enable Shell to access the GS(M)R upper limit, consistent with other NTS entry points on a temporary basis (a further modification would be required to make the change permanent)
- Enable Shell to deliver a relatively small additional quantity of gas ~0.1 mcmd to the NTS; aggregate St Fergus flows are typically ~50-60 mcmd
- Such additional gas would comingle with other supplies from NSMP and SAGE terminals prior to NTS entry

In our view this is a low impact change to equalise the Wobbe spec for Shell with other terminals We therefore do not believe there would be value in lengthening the timeframe for this Modification's passage through the governance process by completing network penetration analysis in this case.

Workgroup Participants did not raise any concerns or disagree with the conclusion that the impact of making the change is insignificant.

## 8 Implementation

As Self-Governance procedures are proposed, implementation could be within sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

The proposer is seeking implementation as soon as possible after this UNC proposal has been accepted, in order to increase energy deliveries without delay.

## 9 Legal Text

### Text

No change to the text of the UNC is required since this is an enabling Modification in accordance with UNC Transportation Principal Document Section I 2.2.3 (a).

## 10 Recommendations

### Panel's Recommendation to Interested Parties

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this Self-Governance Modification.